Concessions for EOUs and SEZs

4050. SHRI MANOJ BHATTACHARYA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Export Promotion Council for Export-Oriented Units and Special Economic Zones have represented for continuance of the concessions Under Section 10A and 10B of the Income Tax Act for some more time;

(b) if so, the details thereof and Government's reaction thereto; and

(c) what steps, if any, has been proposed in the current year's budget for a tax holiday for 100 per cent EOUs and SEZs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) Yes, Sir. A representation dated 12-3-2003 has been received in the Mininstry of Commerce requesting continuation of benefits under section10A and 10B in case of change of ownership.

(b) and (c) The Finance Bill, 2003 has proposed to remove the restriction on continuance of tax holiday in the event of change in ownership. Further, the tax holiday to manufacturing activities under section 10A and 10B are proposed to be extended to processing of precious and semi-precious stones.

Rate of taxes on companies

†4051. SHRI ABHAY KANT PRASAD : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) the comparative rate of taxes being imposed on companies in India and other developing countries in the world;

(b) whether surcharge is also imposed on the companies in India despite higher rate of company tax here; and

(c) if so, the details of such tax structure and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) The details are given in the enclosed Statement (*See* below).

(b) Yes, Sir.

(c) Surcharge at the rate of 5% (proposed to be reduced to 2.5% *vide* Finance Bill, 2003) is levied on the companies in India. Rates of Corporate Tax in India are comparable with those prevalent in other developing countries.

†Original notice of the questions was received in Hindi